

Message Text

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ORIGIN EUR-25

INFO OCT-01 ISO-00 EB-11 COME-00 OPIC-12 TRSE-00 OMB-01

XMB-07 FRB-03 CIEP-02 CIAE-00 DODE-00 INR-11 NSAE-00

PA-04 RSC-01 USIA-15 PRS-01 SP-03 L-03 FEA-02 INT-08

FTC-01 /111 R

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EB/IFD/OIA:WHCOURTNEY

COMMERCE:DSTOWE

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P 222105Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE PRIORITY

AMCONSUL ZAGREB PRIORITY

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E.O. 11652: N/A

TAGS: ENRG, BFOL, YO

SUBJECT: US-YUGOSLAVJOINT VENTURE PROBLEMS AND
OPPORTUNITIES

REF: BELGRADE 3652

1. OPIC HAS RECEIVED 22 APPLICATIONS FORINSURANCE
COVERAGE, 2 OF WHICH HAVE ALREADY BEEN SIGNED (PRODUCTION
MACHINERY AND INTERNATIONAL FLAVORS AND FRAGRANCES). SIX
OTHER APPLICATIONS SHOULD BE COMPLETEDBYMID-AUGUST: (1)
OCULUS CONTACT LENS CO., (2) EATON, (3)CORN PRODUCTION
SYSTEM, (4) ROHM AND HASS, (5) BLACK AND DECKER AND (6)
DOW CHEMICALS.

2. DOW CHEMICAL APPLICATION NOW UNDERGOING FINALREVIEW
AND SHOULD BE READY FOR SIGNATURE NEXT WEEK. PRESS
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RELEASE WILL BE ISSUED ON SIGNATURE IN EFFORT GAIN PUBLI-

CITY.

3- SEVENTEEN PENDING APPLICATIONS REFERRED TO IN PARA 9 OF REFTEL REFLECTS FACT THAT OPIC CAN COMPLETE WORK ON APPLICATIONS ONLY WHEN ALL APPROPRIATE INFORMATION HAS BEEN FURNISHED. FOR EXAMPLE, CHEMTEX FIBER REGISTERED APPLICATION WITH OPIC IN OCTOBER 1972, BUT FORMAL APPLICATION WITH INFORMATION NECESSARY FOR EVALUATION OF PROJECT AND ISSUANCE OF CONTRACT RECEIVED ONLY ON

JULY 18, 1974.

4. IN EFFORT TO INCREASE INTEREST IN US-YUGOSLAV JOINT VENTURES, OPIC AND DEPARTMENT HAVE BEEN WORKING WITH YUGOSLAV EMBASSY OFFICIALS IN EFFORT ENCOURAGE YUGOSLAVS TO PUBLISH BROCHURES DESCRIBING ADVANTAGES OF ESTABLISHING A JOINT VENTURE IN YUGOSLAVIA. WE HAVE ALSO POINTED OUT TO THEM THE ADVANTAGES OF HAVING YUGOSLAV INVESTMENT TEAMS VISIT US AND MEET POTENTIAL INVESTORS.

5. US-YUGOSLAV ECONOMIC COUNCIL WAS FORMALLY LAUNCHED ON JULY 19 AND SHOULD PROVIDE ANOTHER FORUM FOR ENCOURAGEMENT OF US-YUGOSLAV JOINT VENTURES.

6. IMPROVEMENTS IN YUGOSLAV JOINT VENTURE LAW (PARA 6 OF REFTEL) TO PROVIDE FOREIGN INVESTORS MORE GUARANTEES AND BETTER CONDITIONS FOR REPATRIATION OF EARNINGS WOULD BE OF ASSISTANCE IN OUR EFFORT SHARPEN INTEREST OF US FIRMS IN YUGOSLAV JOINT VENTURES.

7. COMMERCE WILL CONTACT TEXACO, MOBIL AND OTHER MAJOR US OIL COMPANIES KNOWN TO BE INTERESTED IN YUGOSLAVIA WITH INFORMATION ABOUT INA CONTAINED IN REFTEL. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, FOREIGN INVESTMENT, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE158525
Document Source: CORE
Document Unique ID: 00
Drafter: EESEGALL/OPIC:DTRBOVICH:MD
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740197-0897
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740728/aaaaaxne.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: BELGRADE 3652
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUL 2002 by shawdg>; APPROVED <19 FEB 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US-YUGOSLAVJOINT VENTURE PROBLEMS AND OPPORTUNITIES
TAGS: ENRG, BFOL, YO, OPIC
To: BELGRADE ZAGREB
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005